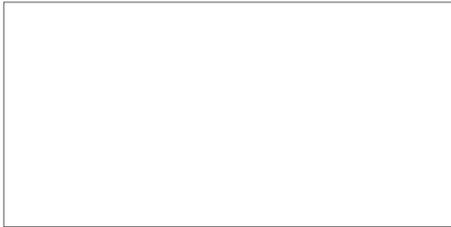


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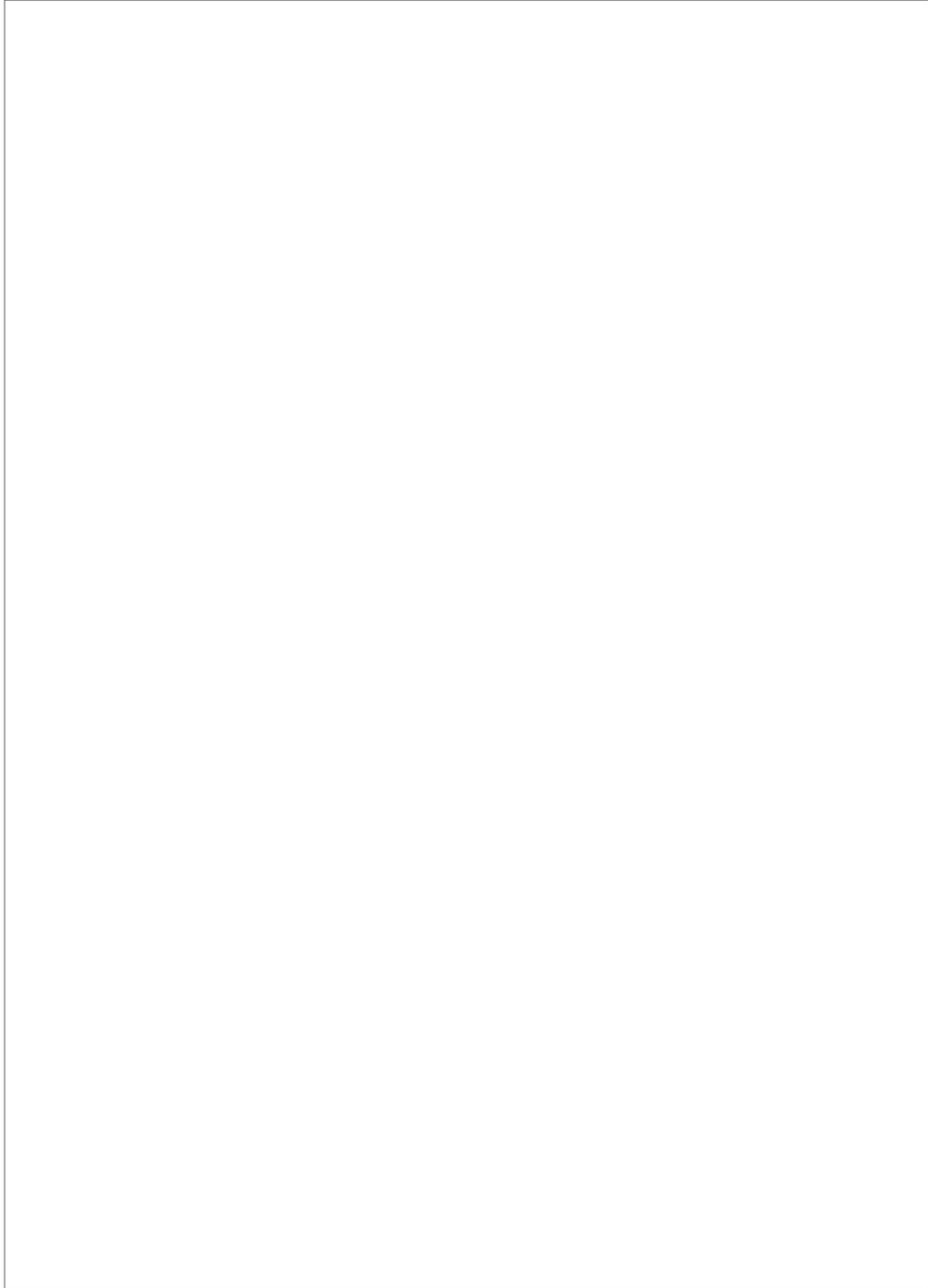
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CENTRAL INTELLIGENCE BULLETIN



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24 DECEMBER 1959

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Israel will probably complain to UN Security Council if UAR continues to hold Greek freighter with cargo from Haifa. ①

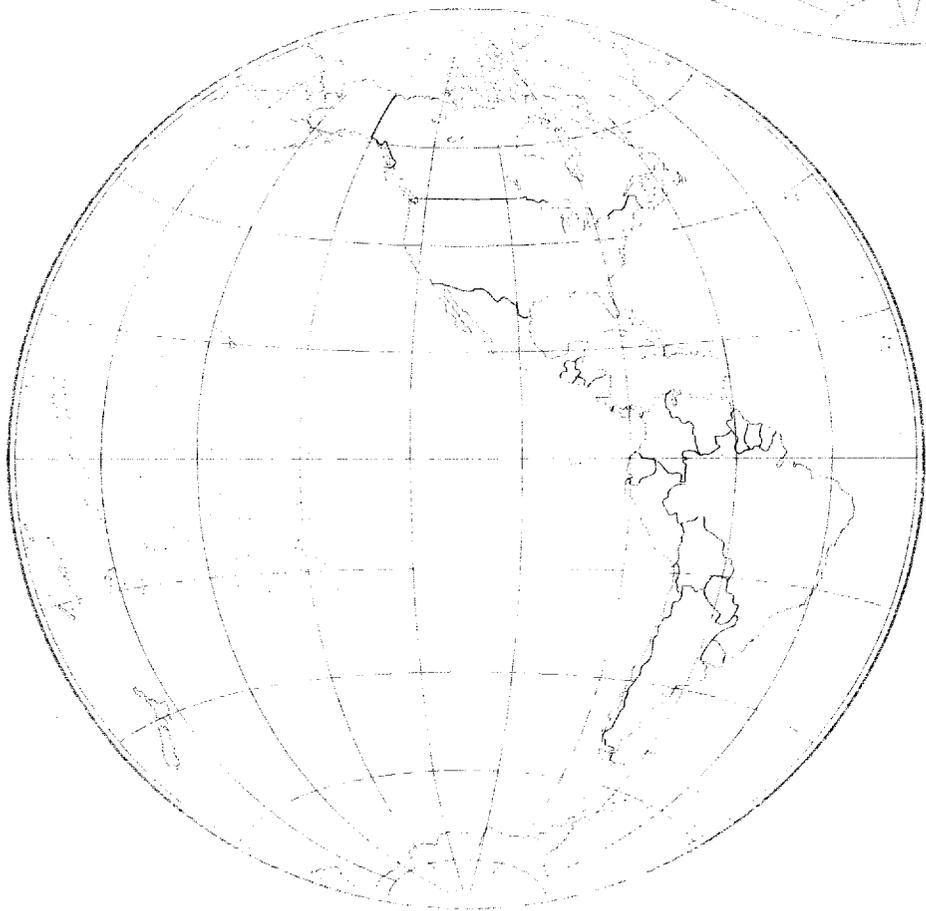
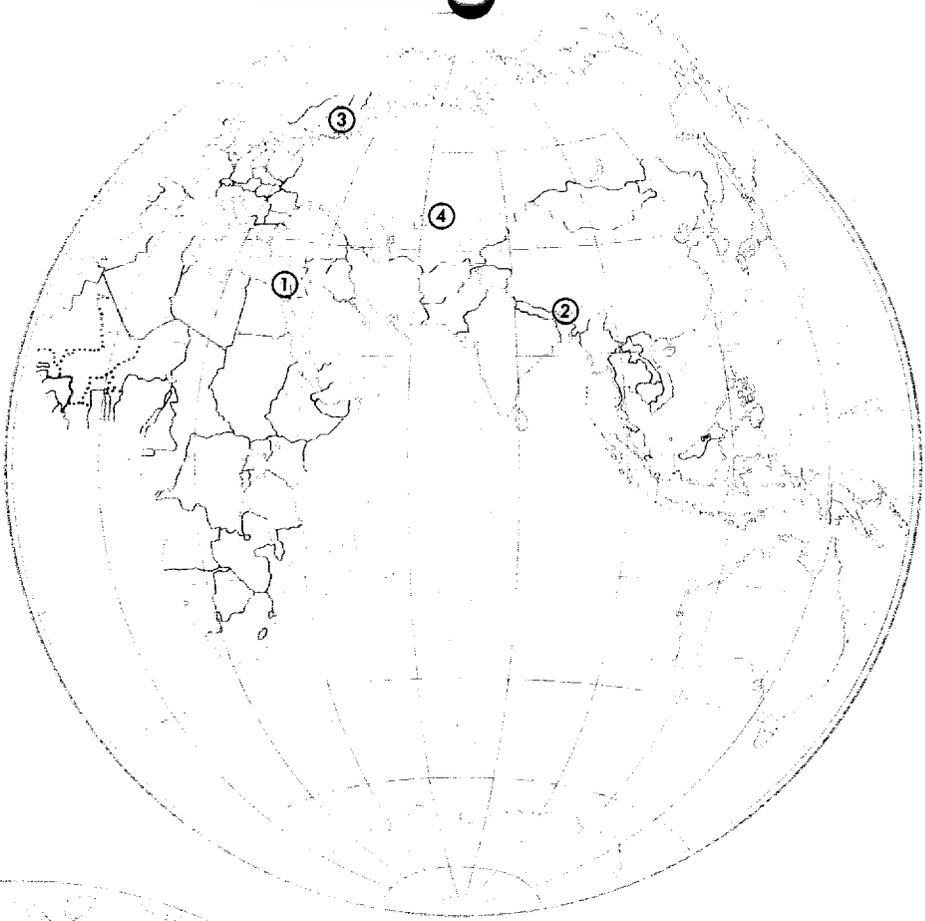
India may survey Bhutan's passes into Tibet, build air strips, and train Bhutanese forces. ②

III. THE WEST

Finland accepts long-term credit from USSR. ③

LATE ITEM

Launching at Tyura Tam Missile Test Test Range. ④



CENTRAL INTELLIGENCE BULLETIN

24 December 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Israel-UAR: Israel probably will lodge a formal complaint with the UN Security Council if the UAR does not release the Greek freighter carrying cement from Israel now held at Port Said and permit it to transit the Suez Canal. UN Secretary General Hammarskjold, who is disturbed because he thought he had arranged for quiet passage of the ship in accordance with specified UAR conditions, is said to regard a council session as "virtually inevitable" because of the UAR's "act of bad faith."

Cairo has since claimed its conditions were not met, that the cement still is legally owned by Israel, and that the Greek vessel was leased by an Israeli company for the voyage.

India-Bhutan: Bhutan's prime minister has agreed that India should make a complete survey of Bhutanese passes into Tibet, build airstrips capable of accommodating C-47 aircraft, and supply limited equipment and training for Bhutanese armed forces. The proposed Indian undertakings would be an extension of survey, airdrop, and training activities already under way. It is not yet known, however, whether the Maharajah of Bhutan, the ultimate authority, will approve the commitments of his prime minister.

(Page 1)

Watch Committee Conclusions: The following developments are susceptible of direct exploitation by Soviet/Communist hostile action which could jeopardize the security of the US in the immediate future:

In Iraq, the influence of the Communists continues to disturb nationalist elements and a new attempt to assassinate Qasim could occur at any time.

In Laos, the young reformist group is restive after its exclusion from the cabinet and may, with the support of influential

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army elements. attempt an early power move against the premier. [redacted]

III. THE WEST

Finland-USSR: Finland has officially accepted a Soviet 12-year \$125,000,000 credit in rubles to purchase capital goods from the Soviet Union. The Finns, who have not been enthusiastic about the loan, may be reluctant to draw upon it but probably hope that the agreement will lessen Moscow's opposition to some kind of Finnish association with the European Free Trade Area. Finland and the USSR also reached an accord on the 1960 exchange of commodities under their long-term trade agreement. [redacted] (Page 2)

LATE ITEM

*USSR: A probable test ICBM was launched about 1405 EST (1905 GMT) on 23 December at the Tyura Tam Missile Test Range. Preliminary information indicates the test vehicle impacted in the water just off the east coast of Kamchatka at a point northeast of the usual land impact area. Evidence available to date is insufficient to permit assessment of the significance of the probable impact in the water or whether such was the intent. This operation was preceded by attempts to launch on 21 and 22 December, both successively postponed for 24 hours. All three operations had the same intended launch time (1400 EST). This is the 21st probable test ICBM flight to or beyond Kamchatka. [redacted]

24 Dec 59

DAILY BRIEF

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I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Further Indian Aid to Bhutan Discussed

General K. S. Thimayya, Indian chief of army staff, states that Bhutan's de facto Prime Minister Jigme Dorji has agreed that India should make a complete survey of Bhutanese passes into Tibet, build airstrips capable of accommodating C-47 aircraft, and supply limited military equipment and training for Bhutanese armed forces.

This attitude on the part of Dorji suggests an increasing awareness that semi-independent Bhutan cannot indefinitely hold out in traditional isolation against any increase in Chinese Communist pressure from Tibet. Dorji maintains a residence in Indian territory at Kalimpong, a major center of news and rumor regarding the Sino-Indian border dispute.

Dorji's feeling is shared to some extent in Bhutan itself, despite long-standing distrust of India among the Bhutanese, who are racially and ethnically akin to the Tibetans and who have long feared Indian imperialist tendencies. In recent years the Bhutanese Government has permitted Indian map survey parties to enter the country, has allowed Indian aircraft to overfly Bhutan to trade goods at selected locations, and has sent a few Bhutanese military officers to India for training. The Indian undertakings which Jigme Dorji now supports would, in effect, constitute an extension of such activities.

Dorji, however, cannot speak for the government of Bhutan with the same authority as the prime minister of countries using the British parliamentary system, and his agreement with General Thimayya on the advisability of various actions probably represents as yet only his personal commitment. The Maharajah of Bhutan, the ultimate authority, may agree to the above proposals, but their implementation must await formalization of the arrangements.

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III. THE WEST

Finland Accepts \$125,000,000 Ruble Credit From USSR

Finland has accepted a 12-year ruble credit equivalent to about \$125,000,000 to purchase capital goods from the USSR. The commodity credit was originally offered and accepted in principle during President Kekkonen's state visit to the USSR in May 1958, but the Finnish Government and commercial interests have been unenthusiastic about the offer. Finland has had a chronic ruble surplus in its annual trade balance with the USSR, and Finnish buyers show little interest in Soviet capital goods and equipment. The new five-year trade agreement (1961-65) signed during Soviet Deputy Prime Minister Mikoyan's visit to Finland in October, however, anticipates a closer balance in Soviet-Finnish trade.

The Finns may be reluctant to draw extensively on the credit; they are probably more concerned with assuring the USSR of their neutrality. Faced with the necessity of protecting their markets in Western Europe through some kind of association with the recently formed European Free Trade Area (EFTA), they probably hope that accepting the credit will convince the USSR that Finland's interest in EFTA will not mean a reduction in its trade with the USSR or in its political neutrality.

Finland and the USSR also agreed on 22 December to exchange some \$250,000,000 worth of commodities in 1960 under the 1956-60 trade agreement.

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